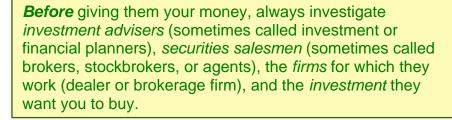


HOW DO I "INVESTIGATE" BEFORE I INVEST?





GET IT IN WRITING! Whatever an adviser or a securities salesman tells you about himself or herself, about the investment they are offering to you, or about the company or people in which you would be investing, get what you are told in writing. Anyone offering you an investment opportunity should give you an offering memorandum-a complete description of the investment and the people and risks involved with the investment. READ THE OFFERING MEMORANDUM! If you do not understand it, get help from an accountant, lawyer, or another independent third party who does understand how to read an offering memorandum.

ASK QUESTIONS ABOUT YOUR ADVISER OR SALESMAN. Talk to your adviser or salesman and insist that she or he answer your questions to your satisfaction. Write down the answers you are given, the name of who gives you the answers, and the date. Ask:

What commission or fee will you earn if I buy the investment? Who or what entity will be paying you?

Are you related to or involved with the investment in any way other than recommending that I buy it?

Will you be receiving any benefit other than your commission or fee if I buy the investment?

Are you registered or licensed and, if so, with whom? If you are not registered or licensed with a regulatory agency, why not?

Have you ever been sued, disciplined, or had any complaints filed relating to your work as a salesman or adviser?



INDEPENDENTLY RESEARCH THE BACKGROUND OF YOUR ADVISER OR SALESMAN.

If you are dealing with an investment adviser, check the Investment Adviser Public Disclosure at the NASDR (www.nasdr.com) web site to see if the investment adviser is licensed in Tennessee, how long the adviser has been licensed, and whether the adviser has any disciplinary history. If you do not have access to the IAPD, contact the Securities Division at 615-741-2947 or toll free at 800-863-9117.

Also check out the investment adviser representative (the individual dealing with you, who works for the investment adviser) by contacting the Securities Division.

If you are dealing with a salesman, check out the salesman and the dealer for which the salesman works on the Web CRD (central registration depository) to see if the salesman and dealer are registered in Tennessee, for how long, and whether they have any disciplinary history. If you do not have access to the Web CRD, contact the Securities Division at 615-741-2947 or toll free at 800-863-9117.



ASK QUESTIONS ABOUT THE INVESTMENT.

Ask your salesman, your adviser, the officers or directors of the company in which you may make an investment all of the questions you have about the investment until you understand it and are comfortable. Write down the answers you are given, the name of the person who gives you the answers, and the date.

Is the investment registered with the Securities and Exchange Commission (www.sec.gov) or the Tennessee Securities Division? If not, why not? If the investment is exempt from registration, what is the nature of the exemption? Is a notice regarding this exempt offering on file with the SEC or the Securities Division? If not, why not?

NOTE: The fact that a particular investment is properly registered, or exempt from registration, is <u>not</u> a guarantee as to how that investment will perform, or that it is an appropriate investment for you. If you need assistance understanding an investment and when it is suitable to invest in that type of investment, seek assistance from an accountant, attorney, or independent adviser.

Understand the fundamental nature of the investment. Understand the tax implications of the nature of the investment. Understand your rights as a creditor or an owner if the entity in which you are investing goes bankrupt.

Is it a debt offering? If you invest in a debt offering (notes, bonds, debentures), you will become a creditor. If the offered security is a debt obligation, who will repay your investment to you? Will you get interest; how much? Is your investment, the debt obligation, secured or guaranteed? If so, by what or whom?

Is it an equity (stock) offering? If you obtain an equity interest in an entity, you become an owner. Will you own shares of stock in a corporation? Will you own a partnership interest or a limited liability company membership interest? Will you have any control over how the entity is run? Will you receive dividends?

Is the investment "liquid"? Can you sell the investment if and when you want to? Is there a market-are other buyers interested in the investment? Will you be able to get your entire investment back? Do you have to hold the investment for a specific period of time? Will you have to pay penalties if you sell the investment earlier?

NOTE: Most securities offerings do not contain a "buy-back" feature and if you need to get your money back, you will likely have to attempt to sell the investment on the "secondary market" if one exists. If you have to sell your investment in a secondary market, you may have to sell for a substantial discount from the original amount of your investment.



What type of business are you investing in? Is it an established business with an operating history? If so, what is that history? If not, does the proposed business make sense? Is it likely to be successful?

Who is responsible for operating the business in which you are investing? Do those persons have the necessary skill, experience, and training to operate the business?

What risks are you taking by making the investment? What factors may jeopardize the success of the business undertaking? What factors may jeopardize your ability to recover your investment and make a return on that investment?

NOTE: Once you thoroughly understand the types of business risks and market risks involved with the investment, you need to assess your financial position and risk tolerance. Can you afford or are you willing to take those risks?



INDEPENDENTLY RESEARCH THE INVESTMENT.

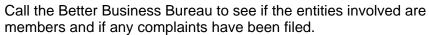
Check the public records of the U.S. District Court to see if any of the people or entities involved have been or are involved in a lawsuit.

615-736-7178 (civil case)

615-736-7396 (criminal case)

Check with your local county courthouse (Chancery Court or Circuit Court) and with your local District Attorney to determine if the individuals or entities involved have been named in a lawsuit, civil action or criminal case.

Check the public records of the bankruptcy court to see if any of the people or entities involved have filed bankruptcy. 615-736-5584 (Nashville)



615-242-4222 Nashville

423-266-6144 Chattanooga

901-759-1300 Memphis

865-692-1610 Knoxville



Contact the Corporations Division of the Tennessee Secretary of State to see if the corporations involved have filed annual reports, which list financial, officer, and director information. Tennessee corporations are required by statute to file annual reports with the Tennessee Secretary of State. 615-741-0537 (Nashville)

Contact relevant departments to see if people are appropriately licensed and if they have disciplinary histories.

Real Estate Commission – 615-741-2273

Insurance Division – 615-741-2693

Securities Division - 800-863-9117

Review materials that discuss the type of investment you are interested in. You can obtain many such materials from the following organizations. Review each organization's web site for links to additional resources.

Tennessee Securities Division 800-863-9117 www.state.tn.us/commerce/securities

Securities and Exchange Commission 800-732-0330 www.sec.gov

National Association of Securities Dealers 202-728-8000 or 800-289-9999 www .nasdr.com

Alliance for Investor Education www.investoreducation.org

North American Association of Securities Administrators 202-737-0900 www.nasaa.org

TENNESSEE SECURITIES DIVISION
Davy Crockett Tower
Suite 680, 500 James Robertson Parkway
Nashville, Tennessee 37243-0575
800-863-9117
www.state.tn.us/commerce/securities